#### **EXHIBIT 106**

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# THE DUGABOY INVESTMENT TRUST OFFERING¹ OF \$18.17 MILLION PROMISSORY NOTE OWED TO HCMLP FEBRUARY 2024



#### SUMMARY TERMS OF DUGABOY PROMISSORY NOTE

Maker:	The Dugaboy Investment Trust							
Facility:	Promissory Note dated $5/31/2017$ in the principal amount of \$24,268,621.69 payable to Highland Capital Management, LP (97.6835% = \$23,706,439.07) and The Get Good Non-Exempt Trust (2.3165% = \$562,182.62)							
Current Principal:	Principal Payable to Highland Capital Management is currently \$18,174,936.62 (76.67% of original principal amount following amortization payments which occurred between 2017 - 2023)							
Security:	None							
Guarantor:	None							
Maturity:	12/31/2046 <sup>1</sup>							
Interest Rate:	3.26%, compounding annually on May 31 and payable annually on December 31							
Amortization	1 / 30 of original principal amount payable annually on December 31 (4.35% of current principal amount)							
Call Protection:	None; Maker may prepay in whole or in part the unpaid principal or accrued interest of the Note							
Event of Default:	Failure to pay this Note or any installment as it becomes due; immediate acceleration upon default							
Cost of Collection:	Expressly included in note terms							
Covenants:	None							

<sup>&</sup>lt;sup>1</sup> Based on amortization schedule. The promissory note states the final payment date is 12/31/47 due to a scrivener's error

#### POTENTIAL TRANSACTION EXECUTIVE SUMMARY 1

- The Dugaboy Investment Trust ("Dugaboy") is a Delaware Trust established in 2010 for the benefit of Jim Dondero ("Dondero")
- Dugaboy is believed to be one of Dondero's most significant personal assets, holding among other items:
  - 100% LP interest in NexPoint Advisors, Dondero's flagship real estate investment platform
  - Significant portfolio of publicly traded Dondero-managed entities as well as privately held real estate investments and other private investments
  - A potential claim to a contingent unvested derivative interest in the HCMLP estate through Dugaboy's purported claim on Hunter Mountain Investment Trust
- Dugaboy was the Maker of a Promissory Note (the "Original Note") dated 12/28/16 in the face amount of \$23,817,639.58 owed to The Get Good Non-Exempt Trust <sup>2</sup> as Payee
  - The Get Good Non-Exempt Trust assigned 97.6835% of its interest in the original note to HCMLP on 12/28/16, retaining 2.3165%
  - The Original Note was replaced by an Amended Note in the face amount of \$24,198,069.28 dated 5/31/17 and further replaced by a Promissory Note (the "Note") in the face amount of \$24,268,621.69, also dated 5/31/17
  - The current face amount owed to HCMLP under the Note is \$18,174,936.62 <sup>3</sup>
  - Despite raising defenses with other notes owed by Dondero-affiliated entities, Dugaboy's trustee affirmed under oath that no similar oral agreements existed beyond those specific notes <sup>4</sup>
  - Dugaboy's counsel in fact asserted that "there is no dispute that . . . Dugaboy has been making (and continues to make) payments on the Dugaboy Note and that there is little risk of Dugaboy defaulting on the Dugaboy Note" 5
- Terms of the Note:
  - Unsecured note due 12/31/46 <sup>6</sup>
  - Interest: 3.26% payable annually on December 31
  - Amortization: 1 / 30 of original principal amount owed annually on December 31 (\$790k owed annually to HCMLP, or 4.35% of the current principal amount)

CONFIDENTIAL 2

<sup>&</sup>lt;sup>1</sup> Any offering of the Dugaboy Note will be subject to Oversight Board approval

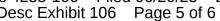
<sup>&</sup>lt;sup>2</sup> Dondero trust which is currently not believed to hold significant assets

<sup>&</sup>lt;sup>3</sup> Principal amount owed following the December 2023 amortization payment

<sup>&</sup>lt;sup>4</sup> Appendix in Support of Highland Capital Management, LP's Motion for Partial Summary Judgement in Notes Actions (Adv Case No. 19-34054, Docket #0127)

<sup>&</sup>lt;sup>5</sup> Dugaboy's Brief in Support of the Motion to Dismiss, or in the alternative, Motion for More Definite Statement entered on 4/30/21 (Adv Case No. 20-03195, Docket #30)

<sup>&</sup>lt;sup>6</sup> The note states that the final maturity date is 12/31/47, however it also states the note principal is due in thirty equal annual installments beginning 12/31/17, which would make the final installment due 12/31/46





#### **DUGABOY NOTE CASHFLOWS**

	Beginning								
	 Principal	A	mort Payment	Int	erest Payment	T	otal Payment	<b>Ending Principa</b>	
12/31/2023								\$	18,174,936.62
12/31/2024	\$ 18,174,936.62	\$	790,214.64	\$	594,126.23	\$	1,384,340.87	\$	17,384,721.98
12/31/2025	\$ 17,384,721.98	\$	790,214.64	\$	566,741.94	\$	1,356,956.58	\$	16,594,507.34
12/31/2026	\$ 16,594,507.34	\$	790,214.64	\$	540,980.94	\$	1,331,195.58	\$	15,804,292.70
12/31/2027	\$ 15,804,292.70	\$	790,214.64	\$	515,219.94	\$	1,305,434.58	\$	15,014,078.06
12/31/2028	\$ 15,014,078.06	\$	790,214.64	\$	490,799.93	\$	1,281,014.57	\$	14,223,863.42
12/31/2029	\$ 14,223,863.42	\$	790,214.64	\$	463,697.95	\$	1,253,912.59	\$	13,433,648.78
12/31/2030	\$ 13,433,648.78	\$	790,214.64	\$	437,936.95	\$	1,228,151.59	\$	12,643,434.14
12/31/2031	\$ 12,643,434.14	\$	790,214.64	\$	412,175.95	\$	1,202,390.59	\$	11,853,219.50
12/31/2032	\$ 11,853,219.50	\$	790,214.64	\$	387,473.63	\$	1,177,688.27	\$	11,063,004.86
12/31/2033	\$ 11,063,004.86	\$	790,214.64	\$	360,653.96	\$	1,150,868.60	\$	10,272,790.22
12/31/2034	\$ 10,272,790.22	\$	790,214.64	\$	334,892.96	\$	1,125,107.60	\$	9,482,575.58
12/31/2035	\$ 9,482,575.58	\$	790,214.64	\$	309,131.96	\$	1,099,346.60	\$	8,692,360.94
12/31/2036	\$ 8,692,360.94	\$	790,214.64	\$	284,147.33	\$	1,074,361.97	\$	7,902,146.30
12/31/2037	\$ 7,902,146.30	\$	790,214.64	\$	257,609.97	\$	1,047,824.61	\$	7,111,931.66
12/31/2038	\$ 7,111,931.66	\$	790,214.64	\$	231,848.97	\$	1,022,063.61	\$	6,321,717.02
12/31/2039	\$ 6,321,717.02	\$	790,214.64	\$	206,087.97	\$	996,302.61	\$	5,531,502.38
12/31/2040	\$ 5,531,502.38	\$	790,214.64	\$	180,821.02	\$	971,035.66	\$	4,741,287.74
12/31/2041	\$ 4,741,287.74	\$	790,214.64	\$	154,565.98	\$	944,780.62	\$	3,951,073.10
12/31/2042	\$ 3,951,073.10	\$	790,214.64	\$	128,804.98	\$	919,019.62	\$	3,160,858.46
12/31/2043	\$ 3,160,858.46	\$	790,214.64	\$	103,043.99	\$	893,258.63	\$	2,370,643.82
12/31/2044	\$ 2,370,643.82	\$	790,214.64	\$	77,494.72	\$	867,709.36	\$	1,580,429.18
12/31/2045	\$ 1,580,429.18	\$	790,214.64	\$	51,521.99	\$	841,736.63	\$	790,214.54
12/31/2046	\$ 790,214.54	\$	790,214.54	\$	25,760.99	\$	815,975.53	\$	-
		\$	18,174,936.62	\$	7,115,540.26	\$	25,290,476.88		

#### **ESTIMATED DUGABOY BALANCE SHEET**

The Dugaboy Investment Trust

Est Current Non-GAAP Balance Sheet, Net of Secured Debt  $^1$  \$ in 000

<u>Assets</u>		<u>Liabilities</u>	
Private Investments	\$ 111,067,696	Note Owed to Jim Dondero <sup>2</sup>	\$ 110,530,584
Net Securities + Real Estate	\$ 69,253,250	Note Owed to HCMLP	\$ 18,174,937
Notes Receivable	\$ 22,757,955	Other Off Balance Sheet Debt	\$ 11,401,584
Cash	\$ 17,710,240	Note Owed to CDO Fund> UBS	\$ 2,603,822
Other Assets	\$ 46,586	Accounts Payable, Other	\$ 1,833,939
		Note Owed to HCM Services	\$ 373,406
		Total Liabilities	\$ 144,918,272
		Equity	\$ 75,917,455
Total Assets	\$ 220,835,727	Total Liabilities + Equity	\$ 220,835,727
		LTV:	65.6%
		LTV excluding Dondero Note:	15.6%

<sup>&</sup>lt;sup>1</sup> Adjust 9/30/20 Accrual Based Balance Sheet to Est Current FMV, Assets Shown Net of Corresponding Secured Debt

NOTE: Historical financial statement summaries are presented as prepared by Jim Dondero's accountant on an Accrual Basis. These financial statements are not audited, do not include a cashflow statement and do not include supporting notes. Adjustments to the most recently available financial statements (9/30/20) are made by HCMLP to as many items as can be supported to create a "Pro Forma" balance sheet which is intended to reflect a good faith estimate of current fair market value. HCMLP makes no representation as to the completeness or accuracy of these financial statements, and are included in this presentation for illustrative purposes.

<sup>&</sup>lt;sup>2</sup> Note potentially subject to creditor dispute